

STATE of INDIANA



INDIANAPOLIS, IN 46204-2253

DEPARTMENT OF REVENUE
INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

March 19, 2008

TAXPAYER NAME
ADDRESS
CITY, STATE, ZIP

Dear [TAXPAYER NAME]:

With the passage of House Enrolled Act 1001, the Indiana sales tax rate will increase to 7 percent effective April 1, 2008. This one-percent increase is intended to help offset new limits on property taxes in Indiana.

Below is a detailed list of changes that HEA 1001 will affect:

- **New sales tax rate** – All transactions* occurring on or after April 1, 2008, will be subject to a 7-percent sales tax rate. Utility companies, along with cable, satellite, television and radio service providers, are not required to collect the 7-percent rate until a customer bill is issued after April 30, 2008.
- **New multiplier on gasoline and special fuels** – The new sales tax gas multiplier will be 6.54 percent for gasoline and special-fuel retailers, effective for all transactions on or after April 1, 2008.
- **New sales-tax collection allowance** – Effective for reporting periods **beginning after June 30, 2008**, the sales tax collection allowances for retail merchants will change to:
 - 0.73% if the total sales tax collected was less than \$60,000.
 - 0.53% if the total sales tax collected was between \$60,000 and \$600,000.
 - 0.26% if the total sales tax collected was more than \$600,000.

**Please note that property and services that are delivered after March 31, 2008, but paid for prior to April 1, 2008, are not subject to the new 7-percent sales tax.*

Revised sales tax vouchers for the months of April, May and June 2008 will be mailed to you by April 30, 2008, and will reflect the new 7-percent sales tax rate. Please continue to use your existing return envelopes.

If you should have any questions about the new sales tax rate, please call us at 317.233.4015, Monday – Friday, 8 a.m. to 4:30 p.m.

Sincerely,

John Eckart, Commissioner
Indiana Department of Revenue